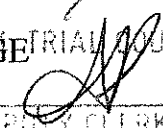


IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT AT ANCHORAGE

2012 JUL 31 PM 2:41
CLERK OF COURT
BY 
DEPUTY CLERK

ROBERT L. RICHMOND,)
)
Plaintiff,)
)
v.)
)
PRIVATE VALUATIONS, INC.,)
and ADRIEN E. GAMACHE,)
)
Defendants.)

Case No. 3AN-12-8843 CI

COMPLAINT

Robert L. Richmond, by and through his attorneys, Guess & Rudd, P.C., and for his cause of action against Private Valuations, Inc., and Adrien E. Gamache (hereinafter "defendants"), complains and alleges as follows:

1. Plaintiff is and has been at all relevant times a resident of Anchorage, Alaska. He is a partner in the Richmond Girls Limited Partnership (hereinafter "the Partnership").
2. Defendant Private Valuations, Inc. is a Washington corporation with its principal place of business in the State of Washington and doing business in various states, including the State of Alaska.

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3. Defendant Adrien E. Gamache is, on information and belief, a resident of the State of Washington and the individual at Private Valuations, Inc. who signed the report discussed below.

4. Plaintiff retained defendants, and paid defendants, to provide certain valuation services, including the proper determination of the fair market value of certain interests in the Partnership. Defendants understood and expressly recognized in their report that the valuation report they provided to plaintiff would be relied upon by plaintiff for gift tax filing purposes.

5. On or about October 8, 2007, defendants provided plaintiff with a valuation report which advised plaintiff that the fair market value of a 73.29 percent interest in the partnership's limited partner interests is reasonably represented as \$996,840, or \$27.69 per unit, based on a valuation made on a majority non-controlling interest, going concern basis, for gift tax purposes for gift transactions on September 30, 2007.

6. Plaintiff, acting and relying on defendants' report and the purported expertise of defendants, filed a tax return in 2007 wherein he utilized and relied upon the opinions and conclusions reached in defendants' report dated October 8, 2007.

7. On or about August 4, 2011, the Department of the Treasury, Internal Revenue Service, sent an examination report to plaintiff wherein they proposed changes to plaintiff's taxes for the year 2007, and noting a purported tax deficiency of

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\$415,596, based on their conclusion that the proper valuation of the limited partner's interests in question was \$1,956,880. The Internal Revenue Service specifically disputed defendant's opinion and conclusion that a total discount of 55.45 percent, including a marketability discount factor of 54 percent, was appropriate. Plaintiff has, as of the date of this Complaint, declined to pay the additional amount requested by the Internal Revenue Service, including additional interest on the claimed deficiency.

8. Plaintiff and the Internal Revenue Service will likely have the disputed tax resolved in Tax Court. The Internal Revenue Service personnel dealing with this matter have uniformly stated that a discount factor of 54.45 percent is unacceptable, although they could likely accept a discount factor in the range of 32 percent.

9. This court has proper jurisdiction over plaintiff's claims and defendants since the defendants intended to, and did, transact business in the State of Alaska and since the defendants transmitted the valuation report described herein to plaintiff while plaintiff was in the State of Alaska, for the purpose and with the intent that plaintiff thereafter take action in reliance on defendants' report in the State of Alaska, and plaintiff's damages have all been sustained in the State of Alaska.

First Cause of Action

10. Plaintiff hereby realleges and incorporates by reference the allegations contained in paragraphs 1 through 9, above.

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11. Defendants were negligent in the performance of the services they provided to plaintiff, including but not limited to defendants' negligent determination that it was appropriate to utilize a total discount of 55.45 percent and a marketability discount factor of 54 percent, and that negligence is a proximate cause of damages to plaintiff in an amount in excess of \$250,000, the exact amount to be proven at trial.

Second Cause of Action

12. Plaintiff hereby realleges and incorporates by reference the allegations contained in paragraphs 1 through 11, above.

13. In the course and scope of their business and profession, and for the purpose of providing guidance to plaintiff in connection with his gift tax filing with the Internal Revenue Service, defendants breached their duty of care owed to plaintiff and negligently made misrepresentations of material fact to plaintiff, including but not limited to misrepresentations regarding the proper or correct total discount to be utilized and the proper or correct marketability discount factor to be utilized in connection with plaintiff's gifts and gift tax filing for 2007.

14. Defendants knew that their negligent misrepresentations would be relied upon by plaintiff, and plaintiff thereafter did reasonably and justifiably rely on defendants' negligent misrepresentations, and defendants' negligent misrepresentations proximately caused damage to plaintiff in an amount in excess of \$250,000, the exact amount to be proven at trial.

Third Cause of Action

15. Plaintiff hereby realleges and incorporates by reference the allegations contained in paragraphs 1 through 14, above

16. Plaintiff contracted with defendants, and paid defendants, for a valuation report which would accurately state the fair market value of a 73.29 percent interest in the partnership's limited partner interests, based on a valuation made on a majority non-controlling interest, going concern basis, for gift tax purposes for gift transactions on or about September 30, 2007, and plaintiff contracted with defendants for their professional advice as to the appropriate and legally sustainable total discount factor and marketability discount factor to be utilized by plaintiff in connection with plaintiff's gift transactions on or about September 30, 2007. Defendants breached both their fiduciary and their contractual obligations owed to plaintiff by failing to perform their professional services in accordance with recognized and accepted industry standards, and such breach has proximately caused damages to the plaintiff in excess of \$250,000, the exact amount to be proven at trial.

WHEREFORE, having asserted his claims against defendants, plaintiff hereby prays for the following relief:

A. That plaintiff be awarded judgment in his favor and against defendants, jointly, for damages in an amount exceeding \$250,000, the exact amount to be proven at trial;

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B. That plaintiff be awarded judgment in his favor and against defendants, jointly, in the amount determined either through settlement or binding tax court decision to be the amount owed by plaintiff in taxes and interest to the United States Internal Revenue Service;

C. That plaintiff be awarded prejudgment and post-judgment interest as well as his reasonable attorney's fees and costs incurred in this action.

D. That plaintiff be awarded such additional and further relief as the court deems just and equitable.

DATED at Anchorage, Alaska, this 31st day of July, 2012.

GUESS & RUDD, P.C.
Attorneys for Plaintiff

By: 

Gary A. Zipkin

Alaska Bar No. 7505048

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